



December 27, 2018

Debra Howland
Executive Director & Secretary
NH Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Subject: NHPUC Docket No. 15-199 Permanent and Temporary Rate Proceeding

Dear Ms. Howland:

At the time that NHPUC Docket 15-199 was concluding, the City of Laconia was considering updating the formula used for assessing sewer charges to its member communities. The impact on the sewer fees was unknown. As such, the settling parties agreed and recommended that Abenaki Water Company ("AWC" or the "Company") be authorized, no later than December 31, 2017, to seek one adjustment to its Belmont sewer rates based on the then-known and measurable changes to charges assessed by the City of Laconia.

On November 5, 2018 AWC was notified that the Laconia City Council approved an increase to the sewer rates effective for bills dated on or after February 1, 2019. The new charge on metered water consumption is \$5.20 per hundred cubic feet, a 9.5% increase. The new fixed fee is \$37.23 per quarter (or \$12.41 per month). See Attachment A, City of Laconia's November 5, 2018 letter and ordinance.

As such, AWC is seeking approval for a one-time adjustment in sewer rates for AWC Lakeland Sewer System located in Belmont, NH. The Company has worked with the PUC Staff to determine the impact of the sewer adjustment on the permanent rate revenue requirement. The increase in the revenue requirement amounts to \$6,966. See Attachment B, Sewer Division – Adjustment per Settlement / Order Permanent Rate Revenue Requirement for the calculation of the increase.

The Company has also worked with the PUC Staff in calculating the rates for its various classes of customers. See Attachment C, for 2018 Adjustment per Settlement Agreement, which shows both the Present and Proposed Settlement rates (bottom half of schedule). Also, for reference purposes only, Attachment C shows Present, Company Proposed and the Settlement rates (top half of the schedule). The Settlement rates are what are presently in effect.

Attachment D shows the proposed revised tariff page.

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ABENAKI
Water Company

AWC respectfully requests that the implementation of these new rate increases for the sewer services only beginning January 1, 2019 which will be billed on or after February 1, 2019 so that the Company can collect the increased revenue to pay the increased costs.

If you, the Commissioners and / or the PUC Staff have any questions or comments, please let me know.

Pauline Doucette,
President

Cc Stephen P. St. Cyr

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November 5, 2018

Pauline Doucette, President
Abenaki Water Company
32 Artisan Ct. #2
Gilford, NH 03249

Subject: Laconia, NH Sewer Rate Increase

Dear Ms. Doucette,

This letter is to inform you that the Laconia City Council approved an increase to the sewer rates effective for bills dated on or after February 1, 2019. The new charge based on metered water consumption is \$5.20 per hundred cubic feet, a 9.5% increase. The new fixed yearly fee is \$37.23 per quarter.

Please find attached the approved Ordinance. Please feel free to contact me with any questions or concerns.

Sincerely,

Krista Larsen, P.E.
Assistant Director

Department of Public Works
27 Bisson Avenue • Laconia • New Hampshire 03246
☎ 603-528-6379 • Fax: 603-527-1298
e-mail: publicworks@city.laconia.nh.us

CITY OF LACONIA

In the Year of our Lord two thousand and eighteen

AN ORDINANCE AMENDING CHAPTER 189, SEWERS

The City of Laconia ordains:

That the ordinances of the City of Laconia, as amended, be and are further amended in Chapter 189, as follows:

CHAPTER 189, SEWERS

In Article VII, Sewer Charges, amend § 189-50 Sewer charges, as follows:

Strikethrough denotes deletion, bold denotes additions.

A. Fixed yearly fee per unit shall be charged as follows:

- ~~(1) Effective bill date on or after September 1, 2013: \$32.50 per quarter.~~
- ~~(2) Effective bill date on or after September 1, 2014: \$33.25 per quarter.~~
- ~~(3) Effective bill date on or after September 1, 2015: \$34 per quarter.~~
- Effective bill date on or after February 1, 2019: thirty seven dollars and twenty-three cents (\$37.23) per quarter**

B. Charge based on metered water consumption:

Effective Bill Date On or After	Charge
September 1, 2013	\$3.69 per hundred cubic feet
September 1, 2014	\$4.19 per hundred cubic feet
September 1, 2015	\$4.75 per hundred cubic feet
February 1, 2019	\$5.20 per hundred cubic feet

Subsection C. shall be amended as follows:

Charge based on non-metered flat rate (for Sewer-Only accounts – those accounts that are on public sewer but served by private water by means of either a well or PUC regulated water system), effective with the billing date on or after ~~December 30, 2012: three hundred forty dollars (\$340.00) per unit/year billed semi-annually (\$170.00/bill); and with the billing due date of July 1, 2014 or after: four hundred twelve dollars and zero cents (\$412.00); and with the billing due date of July 1, 2015 or after: four hundred fifty two dollars and zero cents (\$452.00)~~ **February 1, 2019: four hundred ninety-five dollars (\$495.00) per unit/year billed semiannually (\$247.50/unit)** coinciding with the tax year as defined in RSA 76:2.

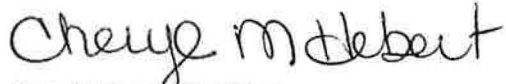
Billing and collection of the flat rate sewer-only account will be conducted by the City Tax Collector in accordance with RSA 76:13 and RSA 80:59-91. Determination of the flat rate is as described in §189-44, B (2).

This Ordinance amendment shall take effect upon its passage.



Edward Engler, Mayor

Passed and approved this 22 day of October 2018.



Cheryl Hebert, City Clerk

**DW 15-199
ABENAKI
SEWER DIVISION - Adjustment per Settlement/Order
PERMANENT RATE REVENUE REQUIREMENT**

	<u>Per Order at \$59,141</u>	<u>Change</u>		
Average Rate Base per Staff	\$ 93,016	\$ 848	Working Capital	
Rate of Return	<u>7.21%</u>	<u>7.21%</u>		
Operating Income Requirement	6,706	61		
Adjusted Net Operating Income per Staff	<u>10,966</u>	<u>\$ (5,007)</u>	Sewer Costs Taxes	6,882 <u>(1,875)</u> 5,007
Revenue Deficiency / (Surplus) Before Income Taxes	(4,260)	5,068		
Divided by Tax Factor	<u>60.39%</u>	<u>72.76%</u>	New Tax Rate	
Revenue Deficiency / (Surplus)	(7,054)	6,966		
Pro-forma Test Year Water Sales	<u>117,559</u>			
Revenue Requirement from Sewer Sales per Staff	110,505	6,966		
Less: Adjusted Test Year Sewer Sales	<u>(78,313)</u>			
Increase / (Decrease) in Revenue Requirement from Sewer Sales	<u>\$ 32,192</u>	<u>\$ 6,966</u>		
Percent Increase / (Decrease) in Revenue Requirement from Sewer Sales	<u>41.11%</u>	<u>8.89%</u>		

* Calculation of New Sewer Expense: 184 customers at \$37.23/quarter = \$6,850.32 times 4 quarters = \$27,401.28.
7,427.30 CCF consumed at \$5.20/CCF = \$38,621.96. 27,401.28 + 38,621.96 = \$66,023.24
\$66,023 - 59,141 = \$6,882

*Calculation of Taxes: \$6,882 x 7.9% = \$544. \$6,882 - 544 = \$6,338. \$6,338 x 21% = \$1,331. \$544 + 1,331 = \$1,875.

**Abenaki Water Co.
NH PUC Docket DW 15-199**

**Abenaki Water Co., Inc. Settlement Agreement Rates
Shown in this 2018 Sewer Adjustment for Reference purposes only**

Belmont Sewer	Customers	CCF	Present		Company Proposed			Settlement		% Change	Target		
			Base/Mo.	\$/CCF	Revenue	Base/Mo.	\$/CCF	Revenue	Base/Mo.			\$/CCF	Revenue
Single Family Residential	148	4,863.60	20.00	3.6290	53,170	30.00	5.1779	78,463	28.50	5.3373	76,574	44.02%	
Multi-Family Residential (32)	1	1,853.75	780.00	3.6290	16,087	1,171.00	5.1779	23,651	912.00	5.3373	20,838	29.53%	
Commercial A	1	187.70	267.66	8.1303	4,738	402.00	11.5930	7,000	378.31	11.4914	6,697	41.34%	
Commercial B	3	522.25	89.33	2.5070	4,525	134.00	3.8671	6,844	126.26	3.5434	6,396	41.34%	
Total Belmont Sewer	153				78,520			115,957			110,505	40.73%	110,505

Customers and CCF from attachment to Temporary Rates Settlement (12/10/2015) as revised in Technical Session 2-2 and 2-3
 Present rates from AWC tariffs effective 4/1/2015
 Company Proposed rates from proposed tariff

2018 Adjustment per Settlement Agreement

Belmont Sewer	Customers	CCF	Present			Settlement			% Change	Target
			Base/Mo.	\$/CCF	Revenue	Base/Mo.	\$/CCF	Revenue		
Single Family Residential	148	4,863.60	28.50	5.3373	76,574	29.71	5.8120	81,032	5.82%	
Multi-Family Residential (32)	1	1,853.75	912.00	5.3373	20,838	950.72	5.8120	22,183	6.45%	
Commercial A	1	187.70	378.31	11.4914	6,697	411.96	12.5135	7,292	8.89%	
Commercial B	3	522.25	126.26	3.5434	6,396	137.49	3.8586	6,965	8.89%	
Total Belmont Sewer	153				110,505			117,472	6.30%	117,471